

**Managed Risk Medical Insurance Board  
March 3, 2004, Meeting**

Board Members Present: Cliff Allenby, Areta Crowell, Ph.D., Richard Figueroa, Virginia Gotlieb, M.P.H., Sandra Hernández, M.D.

Ex Officio Members Present: Jack Campana, Ed Mendoza, David Topp

Staff Present: Lesley Cummings, Joyce Iseri, Laura Rosenthal, Lorraine Brown, Irma Michel, Tom Williams, Stuart Busby, Janette Lopez, Ernesto Sanchez, JoAnne French, Monica Martinez

Chairman Allenby called the meeting to order and recessed it for executive session. At the conclusion of executive session, the meeting was reconvened.

Chairman Allenby introduced the Board's new ex officio member, David Topp, Assistant Secretary and Assistant Counsel at the California Health and Human Services Agency.

**REVIEW AND APPROVAL OF MINUTES OF JANUARY 28, 2004, MEETING**

A motion was made and unanimously passed to approve the minutes of the January 28, 2004, meeting.

**STATE BUDGET UPDATE**

Tom Williams reviewed with the Board those portions of the analysis done by the Legislative Analyst Office (LAO) that pertain to Managed Risk Medical Insurance Board's (MRMIB) programs.

Chairman Allenby commented on the LAO identified option of submitting a Title XXI state plan amendment (SPA) to shift AIM mothers to HFP, thereby obtaining federal financial participation (FFP) for the costs of their care. He asked staff their views of the option, noting the appeal of getting FFP.

Mr. Williams reported that six other states have done SPAs for this purpose. Ms. Cummings pointed out that the idea sounds appealing for fiscal reasons, but requires a change in law that could be controversial with the pro-choice community. Mr. Figueroa agreed, citing discussions of the option he had had while working in the Davis administration. The option is viewed as a method to confer legal status on the fetus.

Mr. Williams said he would report back to the Board at its March 24 meeting after the Board's budget is heard by the Senate and Assembly subcommittees.

Mr. Mendoza commented on another LAO option, reducing eligibility for the program. He pointed out that there are implications of eliminating coverage for families with higher incomes. Despite the percentage of the FPL---200%, 300%, or even 400%---these families are still at risk if they can not afford access to health care.

Ms. Cummings replied that she is not aware of any research describing the degree of health risks of the uninsured by income. However, uninsured people are generally less likely to get the care they need. Dr. Hernández said that Institute of Medicine had recently published a three-year study of the consequences of uninsurance, which includes family incomes.

Dr. Hernandez indicated that she thought triaging children on the basis of medical need was appropriate. Mr. Mendoza said, regardless of how the waiting list is managed, there will be children who do not get services they need. Dr. Crowell underlined the fact that MRMIB does not have the information or the staff to make assessments regarding health care needs.

Chairman Allenby asked if there were any further questions or public comment; there was none.

## **HEALTHY FAMILIES PROGRAM (HFP) UPDATE**

### **Enrollment and Single Point of Entry (SPE) Reports**

Ernesto Sanchez reported that there were 683,787 children enrolled in HFP as of December 30, 2003, of whom 22,037 enrolled in December. He noted that December figures do not reflect a full month of enrollment because operations were shut down December 24, 2003, for the transition. They did not begin again until January 5, 2004. He reviewed enrollment data that included the ethnicity and gender of subscribers, the top five counties in enrollment, SPE statistics, and the breakdown of applications processed with and without assistance.

Mr. Sanchez said the SPE has experienced an increase in the number of applications being submitted in January (26,000) and February (31,000). October 2003 was the only month in the past year that a higher volume of applications were received due to statewide and national back-to-school outreach efforts. He noted that 70% to 75% of the applications are incomplete due to the elimination of application assistance, requiring the administrative vendor to make many more follow-up phone calls. The SPE has seen a significant change in screenings, which staff believes can be attributed to implementation of the Children's Health and Disability Prevent (CHDP) Gateway. Irma Michel added that effective January 1, all departments are required to be on one system.

Mr. Sanchez reported that there has been a significant increase in the volume of calls on the toll-free lines for HFP (by 3 or 4 times) and SPE (by 2 to 3 times). Reasons for the increase include callers checking on application status, requests for general program information, questions about the change in payment locations from Rite Aid to Western Union, a slight modification to the billing statement, and use of the new telephone application process---approximately 1800 applications have been done by

phone. Possible reasons for the increase in applications are local outreach efforts, such as the Sacramento County Board of Supervisors' campaign, and media coverage of the proposed cap on enrollment in HFP.

To address the increased call volume, four additional T-1 lines were added to the system. Each T-1 line equals 24 lines, for a total of 96 lines. MRMIB staff is continuing to monitor the call center volume.

Dr. Crowell asked if enrollment figures to-date were available. Mr. Sanchez said staff will be able to provide more current enrollment data at the March 24 meeting. Mr. Mendoza asked if there were efforts by any other counties to increase enrollment due to the media attention on the proposed enrollment cap. Ms. Michel said Yolo County had enrollment at its county fair. Dr. Crowell asked about advocate concerns about transition problems brought up at the last meeting. Ms. Michel said staff has met with advocates twice. She is still trying to pinpoint where the source of the concerns.

Chairman Allenby asked if there were any further questions or public comment; there were none.

### **Advisory Panel Summary**

Jack Campana, Chair of the HFP Advisory Panel, announced that the Panel is now meeting quarterly; the next meeting will be May 4. At the February 3 meeting, six members were appointed, four of whom were re-appointments. He was pleased that the four members returned to the Panel, indicating their commitment to HFP. The Panel is strongly opposed to an enrollment cap on HFP. They have drafted a letter that will go to the Governor and key members of the Legislature, with a copy being provided to the Board. Most notable arguments against the cap include loss of federal funds, the expense of maintaining a waiting list and possible legal issues related to a waiting list, in addition to reasons similar to what was covered in the analysis of the budget. Chairman Allenby asked if there were any questions or public comment; there were none.

### **Outreach Work Group Update**

Janette Lopez gave an update on the Outreach Work Group. MRMIB currently utilizes the services of 35 Master Trainers to conduct Certified Application Assistant (CAA) trainings. Fourteen are from community-based organizations; ten from health plans. MAXIMUS has scheduled trainings in partnership with the National Health Foundation. The trainings will be held statewide providing six sessions per month, with up to 25 people per session, through the first part of May. The schedule will be available on the web at [www.mrmib.ca.gov](http://www.mrmib.ca.gov).

Some health plans have been asked to help with school-based outreach. Connecting Kids (CK) is gearing up for the 2004 school year to promote HFP and Medi-Cal at conferences of schools nurses, superintendents, and food service directors in San Diego, San Jose, and Sacramento. CK is also partnering with the California Teachers Association, the California Association of Health Plans, Consumers Union, and the Department of Education. The Los Angeles Unified School District has divided into

seven districts, and partnered with HFP health plans to provide application assistance in each of the districts.

Other outreach efforts include radio and TV ads in the Los Angeles area sponsored by NexCare, a phone referral system; the Sacramento Mayor's Commission on Children's Health; San Diego KAHN (coalition of CAAs); a partnership with National Covering Kids and National Capitol 1 Bank which provides bank statement inserts providing information about SCHIP and the national phone number that links to MAXIMUS. The average of national call referrals to California is up from 1300 per month to 1700 per month.

Ms. Lopez reported efforts have been made to correct the misinformation that an enrollment cap is already in effect, as opposed to being proposed. Information is available on the MRMIB web site at [www.mrmib.ca.gov](http://www.mrmib.ca.gov). Chairman Allenby asked if there were any questions or public comment; there were none.

### **Designation of Community Provider Plans for 2004-04**

A motion was made and unanimously passed to designate the plans listed in agenda item 5.e as the Community Provider Plans (CPPs) for 2004-05.

### **Health, Dental, and Vision Plan Extensions and Amendments**

Joyce Iseri asked the Board to approve a resolution to maintain the contract with Delta Dental at the current level of enrollment. She said it is not in the best interests of subscribers to open to new enrollment because the new rate would be too disruptive to families. She also asked the Board to approve the rates she negotiated with seven plans to pay for babies in the Access to Infants and Mothers (AIM) program who would be enrolling in HFP. She also asked the Board to approve expansion of Sharp Health Plan into Riverside County. Motions were made and unanimously passed to:

1. Adopt the finding concerning Delta Dental included in agenda item 5.f;
2. Approve lump sum rates for AIM babies in HFP as negotiated by staff;
3. Continue all other 2003-04 HFP health, dental, and vision plan rates, including the state supported services contracts, through the 2004-05 plan year; and
4. Extend all health, dental, and vision plan contracts, including state supported services contracts, through 2004-05, with the amendments negotiated by staff.
5. Approve expansion of Sharp Health Plan into Riverside County and approve the associated rate.

### **ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE**

#### **Enrollment Report**

Mr. Sanchez reported that there are currently 4,662 mothers and 11,709 infants enrolled in the program. He briefly reviewed the enrollment data, including ethnicity, infant gender percentage, and the counties with the highest percentage or enrollment. Chairman Allenby asked if there were any questions or public comment; there were none.

## **Quarterly Fiscal Report**

Stuart Busby reported that as of December 31, 2003, there were total assets of \$26,171,256, total liabilities of \$22,156,785, and a fund balance of \$26,171,256. For the six months ending December 31, 2003, total revenues were \$55,518,407, total expenditures were \$52,860,611, and an ending fund balance of \$4,014,471. Chairman Allenby asked if there were any questions or public comment; there were none.

## **MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE**

### **Enrollment Report**

Mr. Sanchez reported that there are 7,884 people currently enrolled in the program, of whom 3,108 were enrolled in 2003-04. As of March 3, there are 71 on the waiting list serving the post-enrollment waiting period. One more person was disenrolled in February pursuant to AB 1401, bringing the total number of 36-month disenrollments to 9,595. The program remains open to new subscribers since current enrollment is still below the cap of 11,187.

Mr. Figueroa asked if MRMIP has been affected by Cigna leaving the individual market. Mr. Sanchez said he would check with the administrative vendor and report back to the Board. Dr. Hernández asked how many people are affected. Mr. Figueroa thought maybe 10,000 to 15,000, but did not know for sure. He said TV stations have been calling the Department of Insurance. He expects there will be some legislative activity as a result. Dr. Crowell asked about the time frame. Mr. Figueroa replied that there are differing views as to when coverage actually ends---somewhere near the end of 2004, perhaps in November. Chairman Allenby asked if there were any further questions or public comment; there were none.

## **Quarterly Fiscal Report**

Mr. Busby reported that of December 31, 2003, there were total assets of \$13,483,166, total liabilities of \$4,373,304, and a fund balance of \$13,483,166. For the six months ending December 31, 2003, total revenues were \$16,992,316, total expenditures were \$23,270,087, and an ending fund balance of \$9,109,862. Chairman Allenby asked if there were any questions or public comment; there were none.

There being no further business to come before the Board, the meeting was adjourned.